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Sens. Cropsey and Allen announce senate passage of legislation to help save jobs at Federal Mogul

LANSING – State Sens. Jason Allen, R-Traverse City, and Alan Cropsey, R-DeWitt, today announced passage of legislation designed to help prevent the potential loss of 780 jobs at Federal Mogul in Greenville and St. Johns.

"Jobs are not a partisan issue, jobs are a people issue," Cropsey said. "For Michigan's economy to work, Michigan's people need to work. The fight for jobs at Federal Mogul is a fight we need to win – for all of Michigan."

Senate Bill 824 and House Bill 5445 both allow Federal Mogul to receive funding through a Single Business Tax credit for distressed businesses.

Senate Bill 824, introduced by Allen, amends the Michigan Economic Growth Authority Act to allow new or retained jobs at a company receiving credits to be spread between multiple work sites. This gives companies more flexibility to expand and maintain jobs.

"The Legislature is working hard to fast-track efforts to keep Michigan jobs in Michigan," Allen said. "We are fighting for every Michigan job every day."

Federal Mogul is an auto parts supplier founded in 1899 and based in Southfield. The firm has been in Chapter 11 since 2001. According to Federal Mogul, the company needs to cut costs in order to keep the plants in Greenville and St. Johns operating at current levels.

The MEGA program is designed to promote business investment and new job creation, as well as job retention in large, established Michigan companies. The program is focused on helping businesses overcome cost differentials that could cause them to relocate out of state.

First established by the Legislature in 1995 and expanded in 1999, MEGA tax credits are awarded for up to 20 years. Eligible businesses must be in the manufacturing, research and development, high tech, mining, wholesale/trade, or office operations sectors.